

**BINDING AGREEMENT AND ELECTION STATEMENT  
UNDER SECTION 42(b) (2) (A) (ii) (I) OF THE  
INTERNAL REVENUE CODE**

The undersigned, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, hereby enters into this Binding Agreement in the furtherance of the 2005 Federal Low-Income Housing Tax Credit Carryover Allocation from the Arkansas Development Finance Authority (the "Authority"), wherein the maximum low-income housing tax credit dollar amount of \$\_\_\_\_\_ has been allocated for \_\_\_\_\_ (the "Development") from the 2005 calendar year state ceiling. The undersigned hereby agrees that the aforesaid amount shall be the maximum dollar amount of low-income housing credit allocated to the Development, which consists of:

- ☐ Newly constructed building(s)  
or  
☐ Acquired building(s) that will be substantially rehabilitated and comply, at a minimum, with Section 42(e) of the Internal Revenue Code.

The Owner of the Development, \_\_\_\_\_, (the "Owner") hereby irrevocably elects, pursuant to Section 42(b)(2)(A)(ii)(I) of the Internal Revenue Code of 1986, as amended (the "Code") to fix the applicable credit percentage for the Development as the percentage prescribed by the Secretary of Treasury for the month of December, 2005, which is the month this Binding Agreement has been entered. The Authority and the Owner acknowledge that this Binding Agreement and Election Statement constitutes an agreement binding upon the Authority, the Owner and all successors in interest to the Owner to fix the applicable credit percentage for the allocation of 2005 low-income housing tax credits to the buildings in the Development, subject to compliance by the Owner with the requirements of Section 42 of the Code and the requirements of the Authority. The Owner acknowledges that this Binding Agreement must be executed and notarized by the Owner and the Authority no later than the December 31, 2005.

**OWNER:**

\_\_\_\_\_  
Printed Name

By: \_\_\_\_\_  
Name, Title (original signature)

Owner Mailing Address: \_\_\_\_\_  
\_\_\_\_\_

STATE OF ARKANSAS                    )  
  )  
COUNTY OF \_\_\_\_\_            )

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My commission expires:

\_\_\_\_\_

**ARKANSAS DEVELOPMENT FINANCE  
AUTHORITY**

By: \_\_\_\_\_

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

STATE OF ARKANSAS            )  
  )  
COUNTY OF \_\_\_\_\_  )

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public

My commission expires:

\_\_\_\_\_